

House Engrossed

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 64

HOUSE BILL 2080

AN ACT

AMENDING TITLE 38, CHAPTER 5, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-909; RELATING TO THE CORRECTIONS OFFICER RETIREMENT PLAN.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 38, chapter 5, article 6, Arizona Revised Statutes,
3 is amended by adding section 38-909, to read:

4 38-909. Redemption of prior service; calculation

5 A. EACH PRESENT ACTIVE MEMBER OF THE PLAN WHO HAD PREVIOUS SERVICE IN
6 THIS STATE AS AN EMPLOYEE WITH AN EMPLOYER NOW COVERED BY THE PLAN OR WHO HAD
7 PREVIOUS SERVICE WITH AN AGENCY OF THE UNITED STATES GOVERNMENT, A STATE OF
8 THE UNITED STATES OR A POLITICAL SUBDIVISION OF A STATE OF THE UNITED STATES
9 AS A FULL-TIME PAID CORRECTIONS OFFICER OR FULL-TIME PAID CERTIFIED PEACE
10 OFFICER MAY ELECT TO REDEEM ANY PART OF THE PRIOR SERVICE BY PAYING INTO THE
11 PLAN ANY AMOUNTS REQUIRED UNDER SUBSECTION B IF THE PRIOR SERVICE IS NOT ON
12 ACCOUNT WITH ANY OTHER RETIREMENT SYSTEM.

13 B. ANY PRESENT ACTIVE MEMBER WHO ELECTS TO REDEEM ANY PART OF THE
14 PRIOR SERVICE FOR WHICH THE EMPLOYEE IS DEEMED ELIGIBLE BY THE FUND MANAGER
15 UNDER THIS SECTION SHALL PAY INTO THE PLAN THE AMOUNTS PREVIOUSLY WITHDRAWN
16 BY THE MEMBER, IF ANY, AS A REFUND OF THE MEMBER'S ACCUMULATED CONTRIBUTIONS
17 PLUS ACCUMULATED INTEREST AS DETERMINED BY THE FUND MANAGER AND THE
18 ADDITIONAL AMOUNT, IF ANY, COMPUTED BY THE PLAN'S ACTUARY THAT IS NECESSARY
19 TO EQUAL THE INCREASE IN THE ACTUARIAL PRESENT VALUE OF PROJECTED BENEFITS
20 RESULTING FROM THE REDEMPTION CALCULATED USING THE ACTUARIAL METHODS AND
21 ASSUMPTIONS PRESCRIBED BY THE PLAN'S ACTUARY.

22 C. THE DISCOUNT RATE USED BY THE ACTUARY FOR THE REDEMPTION
23 CALCULATION PURSUANT TO SUBSECTION B IS AN AMOUNT EQUAL TO THE LESSER OF THE
24 ASSUMED RATE OF RETURN THAT IS PRESCRIBED BY THE FUND MANAGER OR AN AMOUNT
25 EQUAL TO THE YIELD ON A TEN YEAR TREASURY NOTE AS OF MARCH 1 THAT IS
26 PUBLISHED BY THE FEDERAL RESERVE BOARD PLUS TWO PER CENT. THIS DISCOUNT RATE
27 IS EFFECTIVE BEGINNING IN THE NEXT FISCAL YEAR AND SHALL BE RECALCULATED EACH
28 YEAR.

APPROVED BY THE GOVERNOR APRIL 8, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 9, 2004.